

1 Q If you would look at the first page of this
2 document, Exhibit 61, the date on the transmittal letter
3 from Mr. Brown to Mr. Watson of 3-30-94.

4 Is that close to the date of the closing?

5 A That was the day before, I understand, yes.

6 Q Mr. Hicks, before March of '94, when the operating
7 agreement was put together, at any time before that time
8 period had you reached an agreement to give the minority
9 members an option to buy you your interest in Hicks
10 Broadcasting of Indiana?

11 A No, I had not.

12 Q Would you turn back to Volume 1 of the Mass Media
13 Bureau exhibits, Exhibit 1, page 31?

14 Are you there, Mr. Hicks?

15 A Yes.

16 Q Take a moment to look at this document, if you
17 would.

18 Have you seen this document before, Mr. Hicks?

19 A I have.

20 Q When was the first time you saw this document?

21 A The first time I saw this document, it was
22 presented to me in depositions concerning the civil
23 litigation that I was in with Crystal Radio.

24 Q And I think the record reflects that those
25 depositions were in December of 1995; is that correct?

1 A December 'of '95, it sounds like that period of
2 time.

3 Q So you did not see this document at or around the
4 time of the handwritten date, August 17, 1993?

5 A The time -- the first time that I had ever seen
6 this document or knew of its existence was at the deposition
7 as indicated.

8 Q In the time period of mid-August of 1993, was Mr.
9 Dille telling you that he intended to send a letter and
10 notes to John Booth of this sort?

11 A No, he did not.

12 Q Now that you've had time to go through your Day-
13 Timer today, what is your recollection as to who many
14 meetings you had with Mr. Dille concerning the WRBR by mid-
15 August 1993?

16 A Well, I really probably had one meeting at that
17 time to discuss -- by mid-August of '93.

18 Q Well, if you need to refer back to your Day-Timer
19 again, Mr. Hicks, that's fine. It's Pathfinder Exhibit 10,
20 if that will help you.

21 A Yes.

22 Well, my first -- my first meeting was the 28th,
23 and I have no recollection of any meeting until September
24 the 2nd, which I vividly remember as the second meeting. So
25 there was only one meeting prior to this.

1 Q So as of this time, mid-August of 1993, assuming
2 the accuracy of the date on the document, was there any
3 arrangement, option agreement for Mr. Dille's children to
4 purchase for you your shares at any point down the road?

5 A There was never an agreement from me for the Dille
6 children to have an option to purchase.

7 Q As of mid-August 1993, did you even have an
8 agreement or an intent necessarily to do --

9 A No.

10 Q -- the WRBR deal?

11 A That is correct. I had no -- I had not really
12 indicated an interest other than seeking more information.

13 Q You mentioned previously that you did not see this
14 until your deposition in the Crystal litigation matter; is
15 that correct?

16 A That's correct.

17 Q Was this document presented to you as an exhibit
18 during that deposition?

19 A I believe -- I believe it was presented in exhibit
20 form. It was presented for me to comment on, yes.

21 Q So you actually physically saw the document?

22 A Yes. It was -- it was presented to me at that
23 time.

24 Q Did you tell the lawyer that was taking your
25 deposition you had not seen this document before?

1 A I believe I did.

2 Q Did he ask you question about the document anyway?

3 A Yes.

4 Q Do you recall what testimony you gave concerning
5 this document?

6 A Well, it was a very -- in my mind, it was a very
7 confusing issue because I was shocked to see this, as I had
8 never seen it before. So I was very, very confused in my
9 follow up, I think, to responding to questions regarding
10 this.

11 Q In what way were you confused?

12 A Well, first of all, I was there on a civil suit
13 regarding the Crystal Radio, and all of a sudden I am
14 presented with information regarding a transaction in South
15 Bend which really I had no knowledge that we were going to
16 be discussing it at the deposition. However, I understand
17 you can discuss anything, but I had never been encountered
18 with depositions before.

19 So when I was presented this, I was -- I was very,
20 I was shocked to see it and did not understand it.

21 Q At the time of your deposition in the Crystal
22 matter, did you go back and review your memory in your Day-
23 Timer in an effort to come up with the chronology of your
24 meetings with Mr. Dille?

25 A No. That was no the furthest thing from my mind.

1 I was really focused on matters relating to my involvement
2 with Crystal Radio and what we were there for.

3 Q Now, that you've had an opportunity to review your
4 Day-Timers and your other documents in this matter, is there
5 any question in your mind that the second paragraph of this
6 document, the first sentence of the second paragraph is not
7 accurate as of mid-August 1993?

8 A Well, it's not accurate with my understanding, no.

9 Q Okay, we can put that document aside, Mr. Hicks.

10 Let's talk a little bit about the operations of
11 WRBR. Actually, before we do that let's talk a little bit
12 about Mr. Sackley, what we just talked about, the Crystal
13 litigation. Let's get a little more detail about the merger
14 that occurred with Hicks Broadcasting and Airborne Group
15 which formed Crystal Radio.

16 First of all, who contacted who to get the ball
17 rolling on the merger?

18 A Mr. Sackley made a contact with myself.

19 Q What did you know about him at the time?

20 A Not a great deal. He was a competitor. He ran a
21 free-standing FM station in Kalamazoo market, a competitor
22 with mine. I had seen him at luncheons or at radio
23 functions of that sort, and just really did not know him
24 that well.

25 Q How many stations were you bringing to the merger?

1 A Two.

2 Q How many was the Airborne Group bringing to the
3 merger?

4 A One.

5 Q How is it then, Mr. Hicks, that you ended up with,
6 I think you testified, approximately 35 percent of the
7 ownership of the Crystal Group if you were bringing two
8 stations to the deal?

9 A Well, I was bring two stations and \$2 million in
10 debt.

11 Q Was there a significant debt associated with the
12 Airborne Group's station?

13 A There was no debt.

14 Q Were your stations, your company, Hicks
15 Broadcasting at that time, in financial distress?

16 A No.

17 Q Could you explain what sort of financial condition
18 you deemed them to be in?

19 A My company was always in very good financial
20 order, never failed to make payroll, never failed to pay
21 vendors. I thought we had an excellent credit rating. We
22 did have, and back when I acquired that radio station back
23 in the eighties, it was highly leveraged with bank debt. It
24 was the understanding that somewhere down the line, and we
25 were getting close to that, that we would have a balloon

1 payment due, which was a big time balloon, and, of course,
2 back in those early days the banks said, well, there is
3 obviously no problem when we get to that point, then we just
4 redo the deal and continue on.

5 The radio business went very sour with banks at
6 that particular time period, in the early nineties, and
7 banks were bailing out of our business very fast. In
8 Boston, there was Freed Bank and Bank of Boston and Bay Bank
9 that were very much involved in radio transactions, and they
10 all were bailing as quickly as they could.

11 They had a right to do that, and it presented a
12 real problem to me because I had all of a sudden had to go
13 out and find additional financing. Well, there wasn't any
14 banks to do deals at that point. So my recourse was to sell
15 the company, and along came consolidation. Merger aspects
16 were certainly great opportunities. And that is -- that is
17 the area that I pursued.

18 I did check with a competitor, another competitor
19 in the market, about this prior to my call from Mr. Sackley,
20 so I had been thinking about it because, again, it was brand
21 new, and found out that that company had more debt than
22 mine, so that didn't make a lot of sense.

23 So when Mr. Sackley called, I remember asking him
24 in a tongue-in-cheek way how much debt do you have, and he
25 kind of laughed and said he didn't have any. So I thought,

1 well, hey, this is an opportunity. I recall that, and
2 that's how all this began.

3 Q And you mentioned previously that you buy employed
4 by Crystal Radio. What was your compensation then after the
5 merger?

6 A My compensation?

7 Q By Crystal Radio Group?

8 A It was about 135,000.

9 Q Let me ask you about, Mr. Hicks, something Mr.
10 Sackley testified to at length.

11 Were you present when Mr. Dille and Mr. Sackley
12 were together at any point?

13 A On one occasion, I was, yes.

14 Q What were the circumstances surrounding that?

15 A Mr. Dille, I'm assuming, was in the area of Grand
16 Rapids possibly. He very often went to Grand Rapids and
17 stopped in just to say hello.

18 Q Where did he stop in to say hello?

19 A To the radio station, and to my knowledge, he had
20 never been there before. He had never seen our facilities,
21 and I think he stopped by just to say hello and see our
22 facilities.

23 Q It wasn't a meeting that you had had planned with
24 Mr. Dille?

25 A No.

1 Q Mr. Sackley and Mr. Dille hadn't had plans to have
2 a meeting, as far as you knew?

3 A No.

4 Q Do you recall approximately what time frame we're
5 talking about when this meeting occurred?

6 A It was in the merger time period there, the merger
7 of Hicks and Airborne.

8 Q It was before or just after the closing of --

9 A It was right in that time period.

10 Q What can you recall about the meeting, we'll call
11 it that, at that time?

12 A Well, I remember I greeted Mr. Dille and brought
13 him into my office, and our offices, Mr. Sackley's and mine,
14 were adjoining offices. And he was standing in there, and
15 so I introduced him to John Dille. I don't believe he had
16 ever met him before or vice-versa. So they just exchanged
17 greetings, and that was, you know, kind of the beginning of
18 the conversation.

19 Q How long did Mr. Dille and Mr. Sackley and
20 yourself, all three of you, how long were you together?

21 A I think it was a very short, short meeting;
22 minutes. I mean, I had -- I had something to do that
23 evening and I know I was thinking I wanted to be cordial to
24 John Dille, but I also knew I had an appointment, and it was
25 late in the afternoon or early evening, and so I know it was

1 a very short time period there. But we just chatted, you
2 know, a few minutes the three of us, so it was a very short
3 meeting.

4 Q Do you remember anything that was discussed in
5 this short meeting?

6 A Well, I remember that somehow the conversation got
7 to South Bend and John's involvement with WRBR, and I think
8 John in some way, how it was brought up, mentioned that he
9 was working with John Booth with a joint operating
10 agreement.

11 Q Do you recall any other discussion during this
12 meeting about WRBR?

13 A I don't recall. It really wasn't that long a
14 meeting. I don't think there was any other discussion. I
15 really don't even know how that subject came up, but it was,
16 it was a very short, pleasant meeting, I thought.

17 Q Did Mr. Dille in your presence say anything to Mr.
18 Sackley along the lines that you were going to "hold" WRBR
19 for him until he could get a waiver or abolish the cross-
20 ownership rule.

21 A No. No. Not in my presence, and I was there all
22 the time.

23 Q Was that the case at the time? Was that the plan
24 that you and Mr. Dille had at that time?

25 A No, it wasn't. It wasn't certainly my plan, no.

1 Q Did you say anything along those lines to Mr.
2 Sackley during this counter?

3 A No.

4 Q Have you ever said anything like that to Mr.
5 Sackley on any occasion that you were holding the WRBR for
6 Mr. Dille?

7 A No, I have never I said anything like that to Mr.
8 Sackley.

9 Q Have you said anything like that to anyone else
10 affiliated with the Crystal Radio Group?

11 A No. No.

12 Q Have you ever heard Mr. Brown say anything along
13 those lines that you were going to hold WRBR just as an
14 accommodation for Mr. Dille until he could get a waiver to
15 Mr. Sackley or any other member of the Crystal Radio Group?

16 A No, I've never heard Mr. Brown state that.

17 Q At some point your involvement in the WRBR deal
18 became a point of contention within the Crystal Radio Group;
19 is that fair to say?

20 A Yes, it did.

21 Q And you recall your involvement in the WRBR
22 transaction ever arising at any Crystal Radio Group board
23 meeting?

24 A Yes.

25 Q And how many board meetings -- actually, let me

1 ask you this. How many board meetings did you attend on
2 behalf of Crystal Radio Group?

3 A Two.

4 Q Do you remember the issue of WRBR coming up at
5 board of these board meetings?

6 A Yes.

7 Q You also remember whether the issue of WRBR came
8 up -- let me ask you this.

9 I think you've testified previously that you had
10 been terminated effectively by Crystal Radio Group in July
11 of '94?

12 A That's correct.

13 Q Who on behalf of Crystal Radio Group actually
14 carried out that termination?

15 A Mr. Sackley.

16 Q And did he do this face to face?

17 A Yes.

18 Q Do you remember the issue of WRBR coming up in
19 that meeting with Mr. Sackley?

20 A Yes.

21 Q Now, do you recall at some point during this
22 process of the board meetings or this meeting you had with
23 Mr. Sackley in July '94 where he terminated you, did Mr.
24 Sackley ever raise a concern about the manner in which you
25 completed the assignment application for WRBR?

1 A I would ask you to restate that question, if you
2 would.

3 Q At any of these board meetings or the meeting you
4 had with Mr. Sackley in July '94, did Mr. Sackley ever raise
5 as an issue how you had completed the application relating
6 to the WRBR transaction?

7 A Yes. Yes, he did.

8 Q And in which of these meetings did that arise?

9 A Well, starting with the most recent meeting and
10 working backwards, the termination meeting, he had the
11 application in his hand waving it around as he is speaking
12 using it as a prompt.

13 Q And what do you recall that was said at that
14 termination meeting concerning the application? You said he
15 was using it as a prompt.

16 Q That Rick Brown is going -- Rick Brown did not do
17 you well, and you will find out, waving this application
18 around.

19 Q Did he say what he meant by that? Did he explain
20 further what he thought the problem with the application
21 was?

22 A That I did not check "yes" instead of "no," I
23 guess, on this Section 15.

24 Q Do you recall making any rejoinder to what Mr.
25 Sackley said to you at this termination meeting?

1 A Again, from that meeting working backwards, I had
2 pretty much shut down conversation with Mr. Sackley because
3 we weren't communicating. It was a one-way, the opposite
4 way communication, so it wasn't working.

5 Q So things had gone sour with Mr. Sackley long
6 before this termination meeting?

7 A That's correct.

8 Q Going back to the board meetings, let me show you
9 a document in Mass Media Bureau Exhibit volume --

10 MR. HALL: Your Honor, is this a good time for a
11 break?

12 JUDGE CHACHKIN: All right, we'll take a five-
13 minute break?

14 (Whereupon, a recess was taken.)

15 JUDGE CHACHKIN: Back on the record.

16 BY MR. HALL:

17 Q Mr. Hicks, could you turn in Volume 2 of the Mass
18 Media Bureau's set of exhibits to Exhibit 23, page 10?

19 A Volume 2, I thought you said.

20 A Volume 2, Exhibit 23. You don't have to read it.
21 Open it to page 10. In the interest of saving a little
22 time, there has been testimony that this is the agenda for
23 the September 1993 board meeting for Crystal Radio Group.

24 Do you recognize that as so, Mr. Hicks?

25 A Yes, I do.

1 Q At some point prior to the meeting you reviewed,
2 you received and reviewed this agenda; is that correct?

3 A Yes.

4 Q Did you ever review an earlier version of an
5 agenda for this meeting where Mr. Sackley had made revisions
6 so it?

7 A No, I did not.

8 Q Turn to page 12, if you would, please, of that
9 document? Would you read the paragraph to yourself
10 "Outside Ownership" in the middle of the page?

11 (Witness reviews document.)

12 A Yes.

13 Q First of all, let me ask, is that your handwriting
14 in the margin of that paragraph?

15 A No, it doesn't appear it is. In fact, mine is --
16 it's got a hole punched through. But no, that is not mine.

17 Q Now, did you ever indicate to Mr. Sackley at any
18 time -- well, Mr. Sackley was the one who prepared this
19 agenda; is that correct?

20 A That is correct.

21 Q Did you ever indicate to Mr. Sackley at any point
22 prior to this board meeting that you agreed with all aspects
23 of this description and this paragraph concerning the WRBR
24 transaction?

25 A No, I did not.

1 Q Did the issue of the WRBR deal come up at all? I
2 think you testified earlier that it did at the September
3 1993 meeting?

4 A Yes.

5 Q What do you remember what was discussed at that
6 particular meeting concerning WRBR?

7 A I think it was just reported that I had an
8 interest in proceeding with the WRBR transaction, or some of
9 the new members of that meeting didn't understand, and it
10 actually was that I was going to do a deal in South Bend,
11 Indiana involving WRBR Radio.

12 Q Would you look at the second sentence which begins
13 at the end of the third line of the paragraph we were
14 looking at?

15 A Um-hmm.

16 Q "Essentially this would be undertaken in
17 connection with a planned subsequent transfer to a third
18 party."

19 Do you recall this issue of an alleged subsequent
20 transfer to a third party coming up in the September 1993
21 Crystal Radio Group meeting?

22 A No, that wasn't discussed.

23 Q Did you ever say anything at this September 1993
24 meeting along the lines that you were acquiring WRBR as an
25 accommodation for Mr. Dille or holding it for him until he

1 could get a waiver himself?

2 A I did not, no.

3 Q Did Mr. Brown say anything like that?

4 A No, Mr. Brown did not.

5 Q Was this the first Crystal board meeting that was
6 held following the --

7 A This was the organizational board meeting, the
8 first one, yes, following the merger.

9 Q Were other issues discussed apart from WRBR?

10 A Well --

11 Q Well, let's turn to the minutes, if you would.
12 That's pages 14 and 15 of that same exhibit.

13 A It was an organizational type meeting, and so
14 there were a number of issues to be discussed, that's
15 correct.

16 Q I believe, if you look at page 15, there is a
17 paragraph that's entitled "Outside Ownership."

18 Do you see that paragraph on the page?

19 A Yes, I do.

20 Q Does this section of the minutes accurately
21 reflect that you recall was discussed about outside
22 ownership issues at the September 1993 board meeting?

23 A That the board briefly discussed, yes.

24 Q Is there anything in the Crystal Radio Group's
25 shareholders agreement or anything else that would prohibit

1 you or any other shareholder from the Crystal Radio
2 acquiring another radio station?

3 A No, sir.

4 Q Did that issue come up in the context of
5 discussing outside ownership at the board meeting? At the
6 September '93 board meeting in the context of discussing
7 this outside ownership issue, did the question of whether
8 there was a prohibition against doing something like that
9 come up at all that you can recall?

10 A No.

11 Q If you look at page 14, the first page of the
12 minutes, the very last paragraph, "Compensation of executive
13 management."

14 A Yes.

15 Q Does this reflect the compensation that you would
16 receive from Crystal Radio Group for your employment there?

17 A I believe it does, yes.

18 Q Would you turn back to page 15, the paragraph
19 above the one we were looking at, "Designation of Title"?
20 Do you remember that being an issue of intention at the
21 September '93 board meeting?

22 A I think that led to some discussion, yes.

23 Q What was that discussion?

24 A I don't think that we had had a total
25 understanding prior to the meeting about designation of

1 titles, and I think there was some discussion on that at the
2 open meeting.

3 Q Had you discussed with Mr. Sackley about his
4 designation as president of Crystal Radio?

5 A That title, yes.

6 Q How about chief executive officer?

7 A That title, no.

8 Q That was news to you at the September '93 board
9 meeting?

10 A That and some other titles. I think there was a
11 combination of titles that were new to me. I didn't realize
12 that we were going to combine titles. I think that was
13 really the discussion.

14 Q Let's turn to the minutes of the January '94
15 meeting, Mr. Hicks, which are found in the same exhibit
16 beginning on page 17 and running through page 18.

17 Have you see this before?

18 A The January 28th meeting?

19 Q That's correct.

20 A Yes.

21 Q Now, there is a paragraph on the bottom of page 17
22 beginning "Hicks' Private Transaction." Can you take a
23 moment and read that paragraph to yourself?

24 (Witness reviews document.)

25 A I do. I have read.

1 Q Okay. Does this section of the minutes accurately
2 reflect what you recall being the types of things discussed
3 about the WRBR transaction at this January 1994 meeting?

4 A Pretty much, yes.

5 Q The first sentence indicates that you explained
6 the transaction recently filed with the FCC involving WRBR.

7 What do you recall was your explanation about the
8 transaction at that meeting?

9 A Well, Mr. Sackley at this particular meeting had a
10 copy of, if I remember, the application, and so he was kind
11 of following along as I was explaining that I had done this
12 deal, it had been filed with the Commission, and just
13 explaining that I was going ahead with it.

14 Q Did you explain any of the terms of the deal?

15 A I think I -- I think I was asked the question
16 about how am I going to pay for this, and here again, the
17 mood that had led up to this particular board meeting was
18 not harmonious and it was not a very pleasant board meeting
19 from the first issue all the way through. So I was not
20 really reacting to a lot of demands that they were putting
21 on me. i was trying to give them the exact plan as it was,
22 but was having a real hard time communicating because, in
23 the case of Mr. Sackley, he had other things in his head
24 that he was trying to lead me in another direction.

25 Q Did Mr. --

1 A But I tried to explain as best I could in the mode
2 of this chaos of what was going on.

3 Q Did Mr. Sackley indicate during this meeting that
4 he was upset or concerned that the assignment application
5 for WRBR had been filed without you informing himself or
6 anyone else at Crystal?

7 A That might have been one of his concerns. I think
8 he was concerned, at least he indicated that if some sort of
9 an infraction occurred in the Indiana transaction or in the
10 operation of that station, that it might reflect on the
11 shareholders of Crystal Radio.

12 Q That was referred to in the notes five down line
13 in that paragraph where it says, "The board also discussed
14 the ramifications of WRBR having FCC violations"?

15 A Yes.

16 Q Now, we've seen in the agenda, not the minutes,
17 from the 9-93 meeting the mention of an FCC opinion.

18 Did the issue of or did Mr. Sackley express any
19 concern that you had gone ahead and filed the WRBR
20 application without providing that FCC opinion beforehand?

21 A Well, I think there was a question of the agenda
22 versus the minutes. That wasn't, to me knowledge, discussed
23 as a formal discussion in the minutes, or the meetings that
24 were reflected in the minutes. It was an editorial, it was
25 put out, in my words, an editorial that was put out in an

1 agenda prior to that meeting. Now, we're talking about the
2 September meeting.

3 So it was easy in January to refer back to those
4 and say you didn't follow our orders. Well, the orders
5 weren't there as a formal discussion in the meeting. So Mr.
6 Brown got involved in this. He was at the meeting and he
7 said, "I will obtain an opinion from FCC counsel."

8 Q Did you have any problems with providing this
9 opinion?

10 A I had no problem at all.

11 Q And there is a mention of a Mr. Zaragoza being
12 involved in this somehow. Who is Mr. Zaragoza?

13 A Mr. Zaragoza was a shareholder of Crystal Radio.

14 Q Was he also an attorney?

15 A He's also a Washington attorney, that's correct,
16 FCC attorney.

17 Q Do you know if he was an attorney in any form for
18 Crystal Radio Group?

19 A Yes.

20 Q Had he been -- had he ever been the Hicks
21 Broadcasting, your previous company's attorney?

22 A No.

23 Q Had he represented Airborne Group?

24 A He represented both parties on the merger, Hicks
25 and Airborne.

1 JUDGE CHACHKIN: How did Mr. Brown become a member
2 of the board?

3 THE WITNESS: When we organized -- Mr. Brown was a
4 former member of my board for Hicks Broadcasting. Upon the
5 merger, we allotted for members for Airborne and two members
6 from Hicks, and he was the carryover member from Hicks, so
7 he stayed on the board.

8 JUDGE CHACHKIN: But he was not an attorney for
9 Crystal Radio Group, Inc.?

10 THE WITNESS: And he was our counsel too, yes.

11 JUDGE CHACHKIN: For Crystal Radio Group, Inc.?

12 THE WITNESS: Yes. He -- he did the -- he did the
13 local -- he was the local attorney that did the transaction,
14 that's correct.

15 JUDGE CHACHKIN: Well, you said Mr. Zaragoza
16 was --

17 THE WITNESS: He was the Washington attorney, the
18 FCC counsel.

19 JUDGE CHACHKIN: I see. And Mr. Hicks was the
20 local attorney?

21 THE WITNESS: Mr. Brown.

22 JUDGE CHACHKIN: Mr. Brown, I mean, was the local
23 attorney?

24 THE WITNESS: That's right.

25 JUDGE CHACHKIN: All right.

1 BY MR. HALL:

2 Q Was there any concern expressed at this meeting
3 about how your involvement in WRBR might affect the time you
4 would have to devote to your Crystal Radio Group activity?

5 A Yes, there was.

6 Q Can you tell us a little bit more about what those
7 concerns were?

8 A Well, I recall the discussion was that we just
9 completed this merger. Now here you're buying another radio
10 station and how do you plan to operate this radio station
11 and what time commitments are you going to have there.

12 Q Did you make any response when those concerns were
13 raised?

14 A I certainly tried, yes.

15 Q What did you try to respond?

16 A Well, my plan was to have a general manager at
17 that radio station. I was not going to be hands on operator
18 of WRBR. In the early set up stages, I think my time
19 commitment to that was going to be greater down the line.
20 We have a unique situation in Michigan where half of the
21 year Indiana is an hour behind, are behind from time.

22 Q Why is that?

23 A Well, just the way that Day Light Savings Time.
24 They don't acknowledge Day Light Savings Time. So I really
25 had this plan in my mind that I could leave Kalamazoo at

1 4:00 and I can be to work in South Bend at 4:00, and I can
2 work for two or three hours, and come home. So I can do
3 that six months of the year. I think that's kind of a
4 unique situation, or you can --

5 Q -- your billing records do that.

6 A You can do that.

7 So, I mean, as far as taking away a great deal of
8 time from the Crystal Radio Group in the early beginnings, I
9 really didn't see that that was a problem, and a competent
10 general manager obviously is the key.

11 Q I think you mentioned previously that there was a
12 discussion at the board meeting concerning how your -- how
13 you could financially afford to do the WRBR deal; is that
14 fair? Did that occur at the January '94 meeting?

15 A Yes, that did.

16 Q What was your or what was your reaction to
17 those -- what sorts of questions were you getting on that
18 issue?

19 A I think -- I think during the heated, the heated
20 period of that I reacted to a comment from the senior
21 Sackley, the father. He said something about, and this had
22 been mentioned before, that John Dille was paying for this
23 whole operation. So it -- I was repeating sarcastically the
24 comment back, and you had to be there to realize the tone.
25 It was a very unprofessional, uncomfortable situation I had

1 never been in since and never want to be in again. But I
2 did repeat finally that, "Well, that's the case. John Dille
3 is going to be at my door." And then he reacted to me, "Do
4 you have a signed agreement?" And I said, "No," which I
5 didn't because we didn't have any agreement.

6 It was a -- I call it a tongue-in-cheek very
7 sarcastic remarks, and probably a mistake to get rattled at
8 that point but I was. And he said, "Well, that's stupid."
9 And I said, "Well, I guess it is." And I mean, you had --
10 it was the just the tone of the thing. I'm embarrassed to
11 sit here and even talk about it because it was a very
12 uncomfortable situation. So that's kind of the tone of that
13 meeting.

14 Q At this board meeting in January '94, did you say
15 anything along the lines that you were acquiring WRBR as an
16 accommodation for Mr. Dille, to hold it until he was able to
17 buy it himself?

18 A No, I did not.

19 Q Did Mr. Brown say anything along those lines?

20 A No, he did not.

21 Q Was that, in fact, the case? Did you intend to at
22 that time --

23 A No, I did not.

24 Q At this board meeting did you say anything like
25 you had an agreement or an option to sell the station to Mr.

1 Dille or his children at some point in the future?

2 A No, I did not.

3 Q Did Mr. Brown say anything like that?

4 A No, he did not.

5 Q Was that the case?

6 A That was not the case, no.

7 Q Did you ever say anything at this meeting along
8 the lines of an option that is not in writing, does not need
9 to be disclosed in the assignment application?

10 A No. I don't recall.

11 Q Did Mr. Brown say anything like that?

12 A I don't recall that topic coming up, no.

13 Q Now, I believe you testified previously that you
14 never attended a subsequent board meeting because you were
15 terminated before that board meeting occurred?

16 A That is correct.

17 Q Did you have any advance notice prior to the
18 morning of -- well, when, in connection with the timing of
19 the board meeting when you were informed you were being
20 terminated?

21 A Probably an hour before the meeting.

22 Q Had you had any advance notice that you were going
23 to be -- your employment was going to be an issue at the
24 board meeting or otherwise?

25 A Oh, I -- I kind of sensed the employment would be

1 an issue, but I had no knowledge of termination, no.

2 Q After you were terminated by Crystal Radio, did
3 you seek legal counsel?

4 A I did.

5 Q What plans did you have as far as -- well, let me
6 ask you this.

7 As part of the shareholder agreement that existed
8 with Crystal Radio Group, are you aware if there was what we
9 call a forced sale provision?

10 A Yes, I am.

11 Q And I know you're not an attorney, but can you
12 basically outline how you understood that provision to work?

13 A Mr. Brown described that to me as -- he called it
- 14 to me as a "drop dead" clause. I think yesterday he called
15 it something else, but it's where you -- you make an offer
16 to the party, in this case we had an agreement with Mr.
17 Sackley and myself to make an offer that I am going to buy
18 you out for X number of dollars. You have a period of time
19 to say no, I'm going to buy you out for that. So if you
20 don't, then I buy you out for that, and if -- you have a
21 choice at that point, and that was what the forced sale
22 clause was in simple language.

23 Q Was there a particular time after which you became
24 able to trigger that clause?

- 25 A It was to be effective at next January.

1 Q You mean January '95?

2 A '95.

3 Q After you were terminated by Crystal in mid-July
4 of '94, did you have any plans with regard to the forced
5 sale provision?

6 A You bet I did.

7 Q What were those plans?

8 A To force the forced sale clause.

9 Q Were you able to do that at that time?

10 A I attempted to do that. They attempted to change
11 the bylaws to amend the forced sale amendment. We were
12 successful in obtaining the court injunction to delay that,
13 and then the litigation began, unfortunately.

14 Q And would you briefly described what your plans in
15 the litigation were, what it involved?

16 A Well, from a legal, legal definition, I guess I
17 really couldn't other than we won, we won the case, which is
18 all I cared about.

19 Q Okay.

20 A I mean, I don't know what the legal term is, but
21 it was a long, expensive, involved case.

22 Q Can you look at a document in Pathfinder's
23 exhibit, Pathfinder 48?

24 JUDGE CHACHKIN: Twenty-eight?

25 MR. HALL: Forty-eight, Your Honor.

1 BY MR. HALL:

2 Q Would you take a moment to look at Exhibit 48, Mr.
3 Hicks, and tell me if you've seen it before?

4 (Witness reviews document.)

5 A I really can't say that I've seen this. I really
6 don't know what it is.

7 Q Okay. You can close the volume, Mr. Hicks.

8 How did your termination by Crystal Radio Group
9 and the subsequent law suit affect you financially?

10 A Well, as it was -- as it was ongoing, and it was
11 over years, it became very, very costly, and I was certainly
12 dipping into, you know, a lot of savings and a lot of
13 investments that I had. I mean, it was affecting family and
14 it was a serious situation.

15 Q Well, during the course of the law suit, you were
16 paying for your own counsel out of pocket?

17 A Yes.

18 Q Did the termination and the subsequent lawsuit
19 financial drain that you described affect your ability to
20 contribute any payment that Hicks Broadcasting was supposed
21 to make to Mr. Booth?

22 A Yes, it did.

23 Q When did this occur?

24 A Again, I am not sure of the dates. It was one of
25 the lesser amounts periods of time, but it was in succession

1 there. Again, I'm not real sure of those dates, but it was
2 in the middle of this civil suit that was occurring.

3 Q Now, how did the process for -- when money from
4 operations of WRBR was not sufficient to make the payment
5 from Hicks Broadcasting of Indiana to Mr. Booth, how were
6 the payments made?

7 A Member loans.

8 Q And by what process was money collected from the
9 members who were loaning it to the company?

10 A Well, we've all contributed to some degree.

11 Q I'm talking more mechanically. How did the
12 process of getting the money from -- how did you know when
13 you needed to make a loan to the company?

14 A Well, obviously, I knew when those dates would
15 come up, but Bob Watson was in charge of our accounting
16 measures of the radio station. I also viewed Bob as kind of
17 the business arm of the station that I -- that I could
18 communicate with. And so we had an open communication
19 because in the joint agreements Pathfinder issued the checks
20 as through the agreement that we had. So obviously he was
21 aware of when these things came up, so we did have
22 communication that way.

23 Q At some point did you inform Mr. Watson that you
24 would be unable to make any part of the loans that were
25 needed to be made to make the payments to Mr. Booth?

1 A Yes, I did.

2 Q And what -- did he make any response to that?

3 A I'm not -- I'm not sure at that particular time he
4 made a direct response. I think he just said, "Well, let me
5 give it some thought," and then that was basically it at
6 that time.

7 Q What eventually happened?

8 A At that time I was doing special project work for
9 Pathfinder, and I received some additional compensation to
10 help me make those payments.

11 Q Was this something that you had requested of Mr.
12 Dille or Mr. Watson that Pathfinder do for you?

13 A I never really requested it. I just stated to Mr.
14 Watson I did have some serious problems here, and I remember
15 saying the word, "This has, you know, got to be family first
16 for awhile."

17 Q And you had any understanding prior to this time
18 that if you were not able to make any payments that Mr.
19 Dille would somehow provide you with money?

20 A No, I never had.

21 Q Do you recall how many -- how much additional
22 compensation was received for this purpose?

23 A Ten thou -- I'm not sure. Ten thousand, somewhere
24 in that area.

25 Q Now, the first of the larger payments to Mr. Booth

1 after the initial smaller payments was \$105,000 payment that
2 came due at some point.

3 Were you able to make any part of the loan that
4 was required for making that payment on behalf of Hicks
5 Broadcasting of Indiana?

6 A Right now I can't recall those dates and my
7 participation in those, but I did make contributions when I
8 could, and have since when I've been financially able to,
9 but I can't recall when those specific periods came up and
10 who made the contributions at what time. I know that the
11 members, the minority members did make some significant
12 contributions.

13 Q And these were loans made by the members, yourself
14 and the minority members, to the company when they were
15 done; is that correct?

16 A That's correct.

17 Q That was by notes payable back to the minority
18 members?

19 A There were notes payable back to the members, and
20 most of those have been repaid.

21 Q Was there any requirement, to your understanding,
22 in any of the Hicks Broadcasting of Indiana documents that
23 the loans be made pro rata among the members each time a
24 loan was due?

25 A I really wasn't aware that there was any

1 proportionate to that, no.

2 Q Would you turn to Hicks volume of exhibits, the
3 small one next to the one you have? If you can turn to
4 Exhibit No. 7 in Hicks volume.

5 BY MR. HALL:

6 Q As more of a housekeeping matter, I think most of
7 these, if not all, are parts of other exhibits, but can you
8 identify for us, Mr. Hicks, what the documents are that are
9 included in Hicks Exhibit No. 7?

10 A They appear to be copies of checks issued by
11 myself to Hicks --

12 Q Can you tell whether --

13 A -- Broadcasting of Indiana?

14 Well, I think they are noted in the memo portion
15 that the involved the Booth payment.

16 MR. HALL: Your Honor, we move the admission of
17 Hicks Exhibit 7?

18 JUDGE CHACHKIN: Any objection?

19 MR. SHOOK: No objection.

20 JUDGE CHACHKIN: Hicks Exhibit 7 is received.

21 (The document referred to,
22 having been previously marked
23 for identification as Hicks
24 Exhibit No. 7, was received
25 into evidence.)

1 BY MR. HALL:

2 Q Did Mr. Watson send you anything in writing during
3 the months when he had indicated that loans had to be made
4 to make the payments to Booth?

5 A No.

6 Q Did you ever see any memos that Mr. Watson sent to
7 the minority members concerning obtaining money from them
8 for the loans that were made on behalf of Hicks Broadcasting
9 of Indiana?

10 A Loans that the minority members made?

11 Q Did you ever see any memos from Mr. Watson to the
12 Dille children --

13 A Oh, I --

14 Q -- requesting money from them or anything like
15 that?

16 A Well, the process -- the process was that I
17 actually signed the notes, so, yes, I did see the -- I did
18 see the notes if that's the question you're asking.

19 Q Were you aware whether there were any memoranda
20 sent to the minority members by Mr. Watson --

21 A I believe there were.

22 Q Let's turn to the issue of the operations of WRBR,
23 Mr. Hicks.

24 Who is the general manager of WRBR?

25 A The general manager is Steve Kline.